

Before the
Federal Communications Commission
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

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In the Matter of)

Amendment of the Commission's Rules to)
Establish Competitive Service Safeguards)
For Local Exchange Carrier Provision of)
Commercial Mobile Radio Services)

WT Docket No. 96-162

Implementation of Section 601(d) of the)
Telecommunications Act of 1996, and)
Sections 222 and 251(c)(5) of the)
Communications Act of the 1934)

Amendment of the Commission's Rules)
to Establish New Personal Communications)
Services)

GEN Docket No. 90-314

Requests of Bell Atlantic-NYNEX Mobile,)
Inc. and US West, Inc. for Waiver of)
Section 22.903 of the Commission's Rules)

REPLY COMMENTS OF ALLTEL CORPORATION

ALLTEL Corporation ("ALLTEL")¹ hereby submits its reply comments in the
above-captioned matter.² ALLTEL's comments in this proceeding noted that the net

¹ ALLTEL Corporation is the diversified holding company for the various separate ALLTEL subsidiaries providing land line telephone services and wireless communications services. Other ALLTEL subsidiaries provide information services, communications equipment and supplies.

² The Notice of Proposed Rulemaking, Order on Remand, and Waiver Order (the "NPRM") in this matter required that interested parties file reply comments within 51 days of publication in the Federal Register, which occurred on September 3, 1996. See Fed. Reg. Vol. 61 p. 46420. These reply comments are therefore timely filed.

effect of the Commission's proposal was to impose a new level of regulation on non-BOC Tier 1 LECs where none had existed previously. Further, while concurring with the Commission's proposals to implement non-structural safeguards for BOC affiliates and the exemption from these requirements for small and rural telephone companies, ALLTEL noted that the use of the Tier 1 distinction needlessly, and without any record of abuse, swept mid-sized independent telephone companies within the reach of the proposed regulations. These concerns were shared by other non-BOC LECs.³

The issue squarely before the Commission is where to draw the line of demarcation between those LECs who should be subject to the proposed safeguards and those who should not. While the new rules have been proposed to further a symmetrical approach to regulation of CMRS services, symmetry is a goal which must be sought among the various CMRS services and not among CMRS carriers where clear distinctions as to market power exist. The imposition of the new regulatory regimen would prevent independent, and particularly mid-size LECs, from realizing the added efficiencies of integrated provision of CMRS and land line services in a competitive environment. The Commission has recognized that these efficiencies exist; they are the basis upon which the Commission has proposed to exempt small and rural LECs from the new requirements.

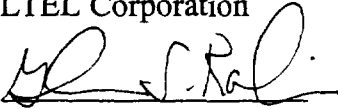
The distinctions among LECs and among independent LECs are lost on many of the parties, the vast majority of whom continue to direct their arguments to the BOCs. AT&T suggests a process under which a Tier 1 LEC may relieve itself of the new

³ See generally the Comments of Cincinnati Bell Telephone Company and GTE Services Corporation.

safeguards once the Commission has declared it to be non-dominant.⁴ ALLTEL agrees with Cincinnati Bell,⁵ that independent LECs with less than 2% of the nation's access lines are, as a practical matter, non-dominant given, among other things, the size of the new market entrants.⁶ Clearly, the Commission should not at this time impose new burdens on companies facing extreme competitive pressures from new entrants with considerably greater economies and resources. As a result, ALLTEL continues to believe that the market power of companies with less than 2% of the nation's access lines distinctly differs from that of the BOCs and that these 2% companies should not be subjected to regulatory safeguards designed to address competitive concerns to which they have never contributed. The Commission should reject the Tier 1 threshold and instead subject only those carriers with more than 2% of the nation's access lines to the proposed safeguards.

Respectfully submitted,

ALLTEL Corporation

By: 

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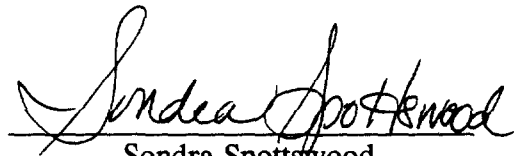
⁴ See Comments of AT&T at pages 14-15.

⁵ See Comments of Cincinnati Bell Telephone at page 2.

⁶ See ALLTEL Corporation Comments at page 4, citing the Forbearance Suggestions by the Independent Telephone and Telecommunications Alliance dated June 24, 1996.

CERTIFICATE OF SERVICE

I hereby certify that I have on this 24th day of October, 1996 served all parties to this action with a copy of the foregoing Reply Comments by placing a true and correct copy of same in the United States mail, postage prepaid, addressed to the parties listed on the attached service list.


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